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# U.S. Said to Plan Seizure of American Linked to Terrorist

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Washington Post Staff Writers

U.S. officials last month set in motion a plan for an extraordinary international abduction of the American manager of a major terrorist training operation set up in 1976 for the radical Libyan dictator, Col. Muammar Qaddafi.

The training and supply manager, Douglas M. Schlacter, a former Washington-area resident, was secretly indicted by a federal grand jury last July for his role in coordinating many of the Libyan activities of ex-CIA agents Edwin P. Wilson and Francis E. Terpil.

On Sept. 11, the State Department, at the initiative of the U.S. attorney's office here, sent cabled instructions to the U.S. ambassador to the central African nation of Burundi, Francis D. Cook.

The federal prosecutors asked Burundian officials to seize and hold Schlacter until U.S. marshals or FBI agents can pick him up. Schlacter now operates an air freight service in Bujumbura, the capital of Burundi, on the northern shore of Lake Tanganyika.

The United States has no extradition treaty with Burundi, and authorities there have not yet acted.

Schlacter is wanted because he allegedly served as the chief supervisor for terrorist training and supply operations in Libya under an April, 1976, contract involving Qaddafi, Wilson and Terpil.

Wilson and Terpil, both fugitives, were indicted in April, 1980, by a federal grand jury here on charges of exporting explosives, delayed-action electronic timers and sensitive night-vision equipment to Libya. Wilson is living in Tripoli, and Terpil has been seen in Lebanon and Syria.

Wilson and Terpil also have been indicted by the federal grand jury for attempting to execute a \$1 million assassination contract inside Egypt against an expatriate Qaddafi critic, Umar A.

Although Schlacter's name appeared in the original indictment, he was not charged by the grand jury. The Washington Post has learned, however, that the grand jury handed up a sealed indictment in July charging Schlacter with serving as "country manager" in Libya under the Wilson-Terpil contract.

It alleges that Schlacter's responsibilities included overseeing the production of explosive devices disguised as ash trays, tea kettles and other household items in a makeshift laboratory constructed in the winter palace of Libya's former monarch, King Idris.

It also charges that Schlacter recruited and supervised the activities of current and former American military and Special Forces soldiers who were enlisted to train Libyan commandos in terrorism. In addition, it is alleged, he arranged for martial arts training for Qaddafi's bodyguards.

The prosecutors who obtained the indictment, E. Lawrence Barcella and Carol E. Bruce, said they had "absolutely no comment" on the case against Schlacter.

The profile of Schlacter provides a revealing insight into the furtive corporate network allegedly erected by Wilson to ship arms, explosives, and sensitive military technology overseas. Schlacter today remains the sole stockholder of record of Aroundworld Shipping and Chartering Inc., the Houston-based concern set up by Wilson in 1976 as an international freight forwarding company. In large measure, Aroundworld shipped oil field drilling equipment, pipe and construction materials to legitimate customers abroad.

But in 1976 and 1977, according to investigative sources, the company also mobilized men and jet cargo aircraft for late-night loading operations of C4 plastic explosives and electronic delayed-action timers aboard chartered DC8 jets for shipment to Tripoli.

where he had been stationed as an active-duty CIA agent.

To lend legitimacy to the air freight company, called Adco Airlines, Terpil apparently incorporated the company using the name of an ex-CIA official and that of Richard Ashcroft, an executive of Stanford Technology Corp. in Campbell, Calif. Ashcroft, reached in Sunnyvale, Calif., where he is now president of a Stanford Technology subsidiary, said last week that he had never agreed to serve on the board of the airline and had never attended a meeting of the board.

Ashcroft, whose firm manufactures "digital imaging systems" like those aboard the Voyager II satellite that sent back photographs from Saturn, said that he had employed Terpil for about six months in 1976 to secure export licenses in Washington for the firm's products. He said Terpil was laid off for unsatisfactory performance and never successfully obtained a license for the firm.

Federal investigators have determined, however, that some of the sophisticated Stanford Technology equipment purchased in later transactions through former Stanford employees may have been adapted for military applications and brokered by former Stanford employees without the company's knowledge.

From his job as manager of Wilson's farming operations in Fauquier County, Va., Schlacter rose in the ranks of the terrorist training organization to what one source described as "Wilson's righthand man" and "Wilson's man in Libya."

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# THE QAD

# CONNECT

By Seymour M. Hersh

**F**ive years ago, two former operatives of the United States Central Intelligence Agency — Edwin P. Wilson and Frank E. Terpil — made a business deal with Col. Muammar el-Qaddafi, the ruler of Libya. In essence, the former C.I.A. men, who had become partners in an export-import business, agreed to sell Colonel Qaddafi their accumulated years of American intelligence-agency contacts, experience and expertise. There was a product that could not be purchased on the open market. The colonel, who boasts of supporting terrorism in the Middle East, Europe and Africa and who has been attempting to set up his own new federation of Arab and Moslem states, was willing — and able, because of his vast oil wealth — to pay dearly.

As a result, the two Americans, according to Federal investigators, have made millions of dollars aiding Qaddafi in his drive to export terrorism and build his own Middle Eastern power. Under cover of their export-import business, Wilson and Terpil are said to have helped Libya set up a manufacturing plant for the production of assassination weapons; to have themselves helped Qaddafi plan political assassinations; to have recruited dozens of former Green Berets to teach Libyan soldiers and Arab terrorists how to handle volatile explosives — how, for example, to turn ashtrays into weapons of terror; to have illegally shipped arms explosives to Libya with the aid of forged and fraudulent State Department export

certificates, and to have involved other former C.I.A. employees in the projects.

Information about the Qaddafi connection has been known by the Government since the fall of 1976. It was then that Kevin P. Mulcahy, at the time partner of Wilson and Terpil, approached the C.I.A. and the Federal Bureau of Investigation with grave doubts about the legality and ethics of his company's business dealings with Libya. Mulcahy, a former C.I.A. employee who had spent six months inside the Wilson-Terpil operation, would spend hundreds of hours, over the next few years, providing the Government with firsthand knowledge.

Kevin Mulcahy has now decided to tell his story publicly for the first time. He's tired of waiting for this segment of his life to end. He wants to be listed again in the telephone directory, to have a driver's license in his own name, to vote, to own property, to stop living as if he — and not Wilson and Terpil — had been indicted for wrongdoing. He feels he is forced now, in effect, to give testimony in the pages of The New York Times. The essentials of his account have been verified where possible through secret documents and in interviews with key members of the State Department, the Justice Department, the F.B.I., the United States Attorney's office in Washington, as well as with Stansfield Turner, the former head of Central Intelligence, and other high C.I.A. officials.

The Wilson-Terpil case is a story of Americans who meet secretly in bars and board rooms to arrange the illegal sale of electronic-spying equipment and terror weapons, and of Americans who train assassins abroad. It is a story of an old-boy network of former C.I.A. operatives and military men, and a story of present a

Seymour M. Hersh, a former New York Times reporter, is now at work on a book about Henry Kissinger to be published by Summit Books.